WDW, Financial Information.
Annual Report 1971



# WALT DISNEY PRODUCTIONS ANNUAL REPORT 1971

to shareholders and employees • Fiscal year ended October 2

# THE WALT DISNEY WORLD GRAND OPENING SPECTACULAR AND DEDICATION CEREMONY

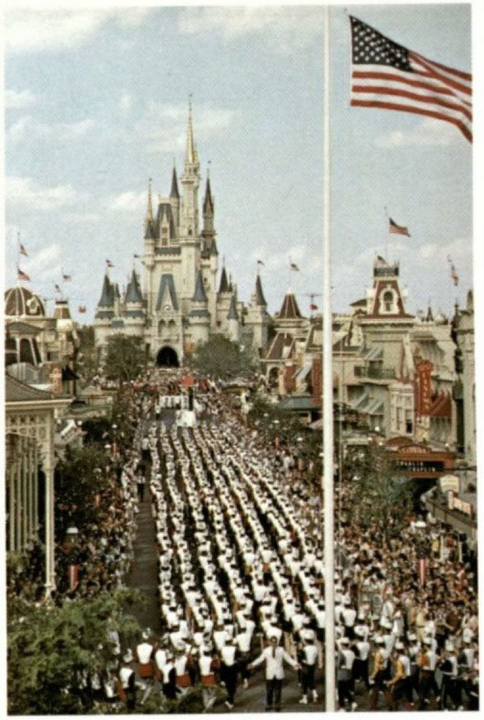
"Walt Disney World is a tribute to the philosophy and life of Walter Elias Disney . . . and to the talents, the dedication and the loyalty of the entire Disney organization that made Walt Disney's dream come true. May Walt Disney World bring Joy and Inspiration and New Knowledge to all who come to this happy place . . . a Magic Kingdom where the young at heart of all ages can laugh and play and learn — together."

Dedicated this 25th day of October, 1971

Roy O. Disney

Dedication plaque, located in Town Square on Main Street at the Magic Kingdom.

THREE-DAY CELEBRATION: *Arthur Fiedler conducts the World Symphony, 142 musicians representing major orchestras in 58 nations (left); Mrs. Lillian Disney Truyens and Roy O. Disney welcome the 2,500 invited guests (above); the Polynesian Luau, Electrical Water Pageant and "Fantasy In The Sky Spectacular"; and the Main Street Parade, featuring the 1,076-piece Marching Band conducted by Meredith Willson.*



## A WORD FROM ROY O. DISNEY...

This is the year of WALT DISNEY WORLD. Our Florida project opened during the month of October, on schedule, with everything going well and running smoothly from the very first day. Final construction costs were substantially over our estimates, due mainly to inflation. But the project as a whole also increased substantially in scope as we went along. The increased costs have been funded in a way that leaves the company in a strong financial position.

The general public has shown great enthusiasm for the Park — it truly is beautiful and is running smoothly. Public attendance is excellent. To date, it is exceeding our projections.

While our guests are enjoying all the new attractions and vacation features of Walt Disney World, this first year is going to be a year of learning for us . . . learning how to best serve our new audiences . . . learning how to take advantage of the Florida climate . . . and thoroughly training our new work force in the Disney way. Our new staff of over 8,000 people are mainly Floridians and they are wonderful — smart, cheerful young people, carrying out their assignments exceedingly well.

A water-oriented park and vacationland with excellent support facilities, Walt Disney World is well equipped for full, effective and economical operations in our Theme Park, the two resort-hotels, and our campgrounds.

Plans for the development of our large land holdings are proceeding well. We are actually developing about 1,000 acres in a special project called Lake Buena Vista, that includes the site of our former preview center. Four major motor inn chains are building high-rise motels in our Motor Inn Plaza, located at an important highway intersection. Roads and other basic facilities are in, and one block of apartment houses is about ready for occupancy.

Our primary attention naturally has been on Walt Disney World this year. But throughout the company, this has been a banner year; in fact, it has been the biggest year in our history — the largest gross, the largest net profit. All divisions of activity are doing well.

In summary, I believe our company is in excellent financial condition and has a long, productive and profitable period ahead.

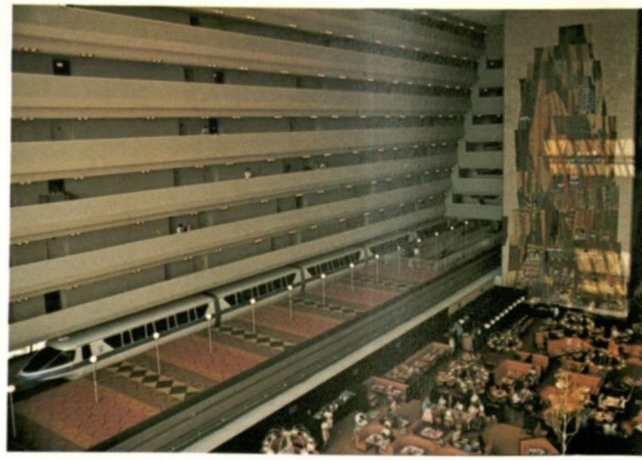
Roy O. Disney.

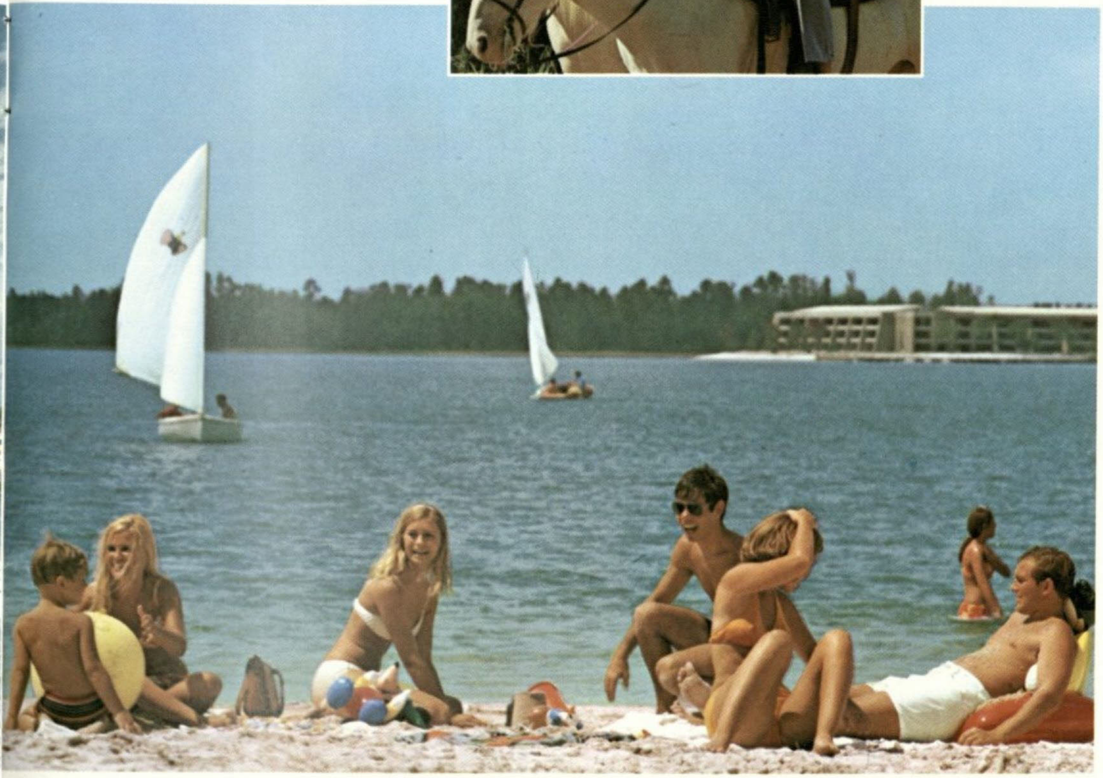
*Chairman of the Board*

*December 9, 1971*

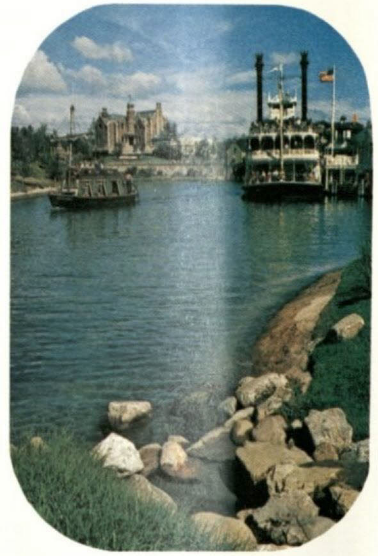
Walt Disney World

THE CONTEMPORARY-RESORT HOTEL: *This 1,057-room resort, like the Polynesian Village, was constructed for Walt Disney World by the USS Realty Development Division of U.S. Steel, incorporating the world's first major use of steel-framed, unitized or modular construction. Walt Disney World monorail trains run through the Grand Canyon Concourse located at the 4th-story level of the hotel's 14-story, A-shaped Tower Building (right).*



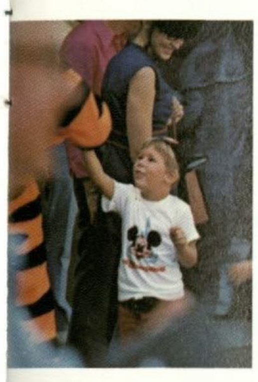


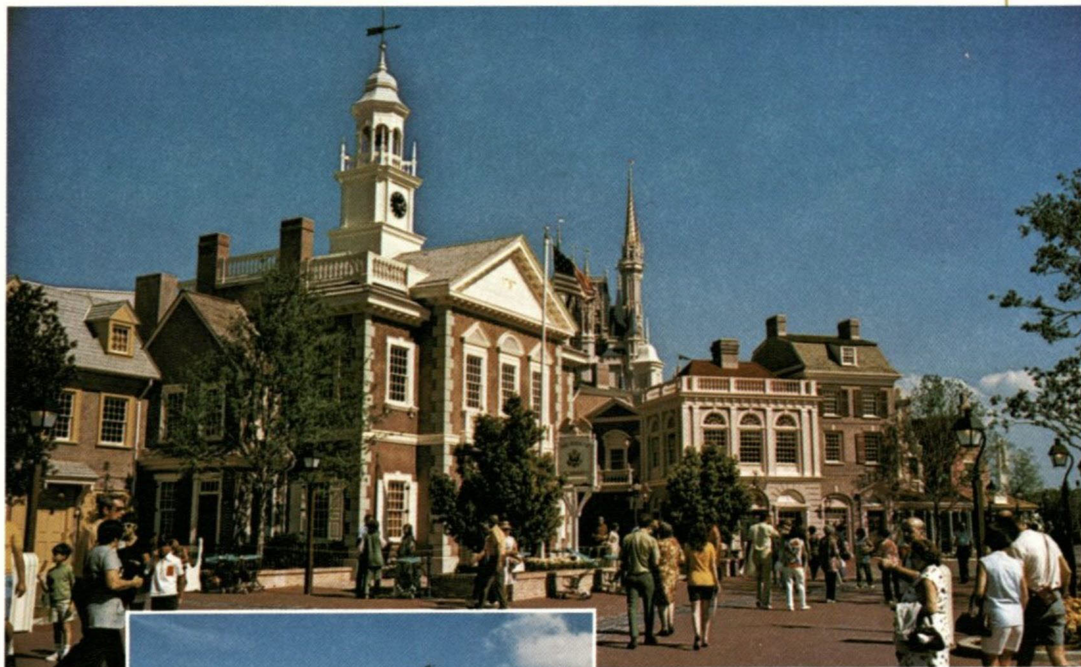
TOTAL DESTINATION-RESORT: *Walt Disney World offers a whole new vacation way of life, including 650 acres of water, lined with four miles of white sand beaches, ideal for swimming, sailing, fishing and water skiing. At Fort Wilderness, visitors will find 600 acres of campgrounds, boating, nature trails, park-like recreation areas and the Tri-Circle D Ranch, where saddle horses are available.*



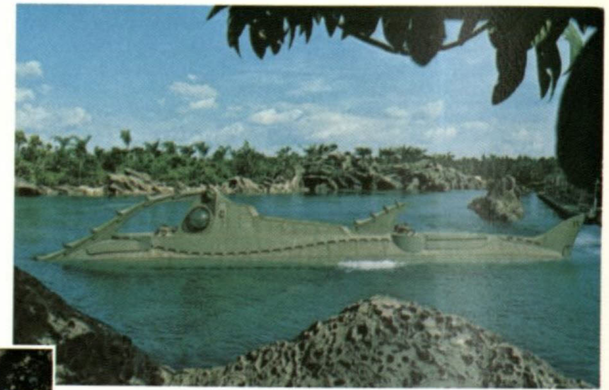
THE "MAGIC KINGDOM" THEME PARK: *Main Street, U.S.A. and the elegant Crystal Palace Restaurant (center right) feature the Victorian architecture of Eastern-seaboard America at the turn of the century. Cinderella's Castle, 176-feet high, is the focal point of the Florida theme park.*

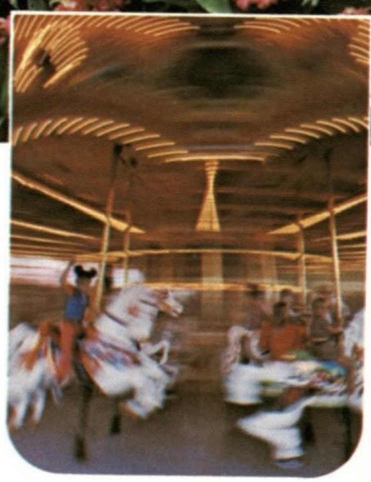
LIBERTY SQUARE: *American history comes to life in this completely new land, created expressly for the "Magic Kingdom." Inside the Hall of Presidents, a 27-minute presentation tells the story of America's founding and growth through her Constitution and Presidents. The 36 American Presidents appear, life-size and life-like, through the unique Disney "Audio-Animatronics" process.*

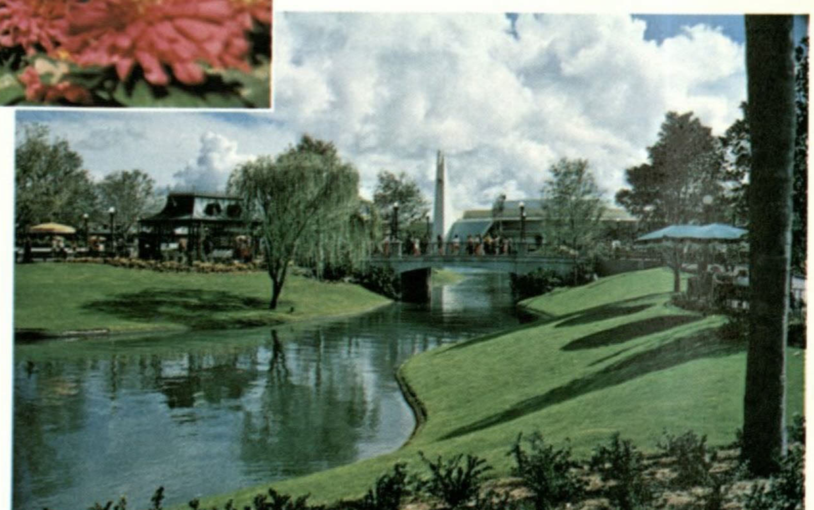




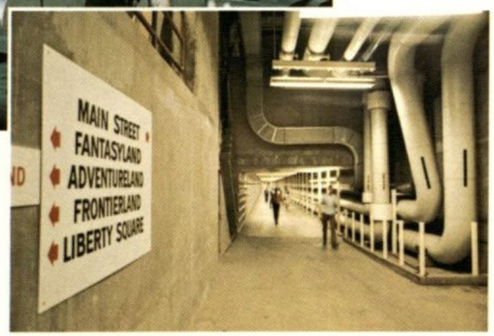
FANTASYLAND: *Among the many attractions in this "happiest land of all" are the "20,000 Leagues Under the Sea" submarine ride, the "Mickey Mouse Musical Revue," the Pinocchio Village Haus Restaurant (below), and Cinderella's Golden Carrousel. Visitors enter Tomorrowland (bottom right) by crossing the Plaza Waterway, which winds through the "Magic Kingdom."*

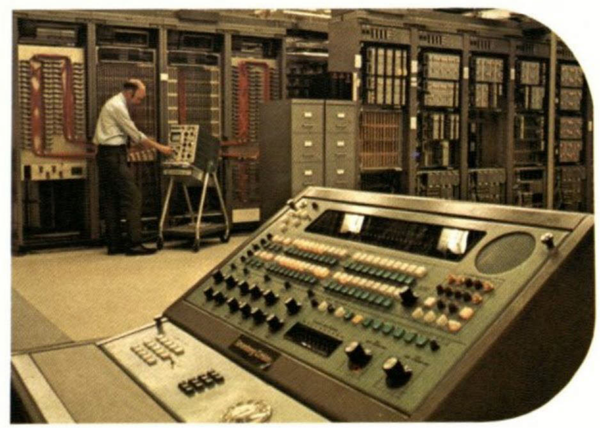






DIVERSIFICATION: *Many related business opportunities opened to the company through its Florida project, among them the generation and distribution of electrical and other utilities from an innovative Central Energy Plant (left); an airport for the exclusive use of STOL aircraft; a central food preparation plant, a laundry and a controlling interest in a new telephone company to serve the project area (bottom, left to right).*

LAKE BUENA VISTA: *Work has begun on the first phase of this new family-oriented leisure community. Condominiums, townhouses, single family dwellings and apartments will be located along lakes, winding waterways and golf course fairways. Twenty-seven townhouses have already been completed and leased.*

## THE BUENA VISTA LAND COMPANY

A prime consideration of Walt Disney in purchasing 27,500 acres of land in central Florida as the future site for Walt Disney World was his desire to give direction to the surrounding development which would emerge as a natural consequence of his new destination vacation resort.

Walt Disney's ultimate goal for the Florida project was always the development of EPCOT, an Experimental Prototype Community of Tomorrow, a living environment, 25 years ahead of its time, which would always be introducing, testing and demonstrating new systems and technologies.

To gain practical experience in this new field of real estate development, and to provide careful and balanced management planning for the entire Florida property in keeping with Walt Disney's initial objectives, the Company created a wholly-owned subsidiary, the Buena Vista Land Company.

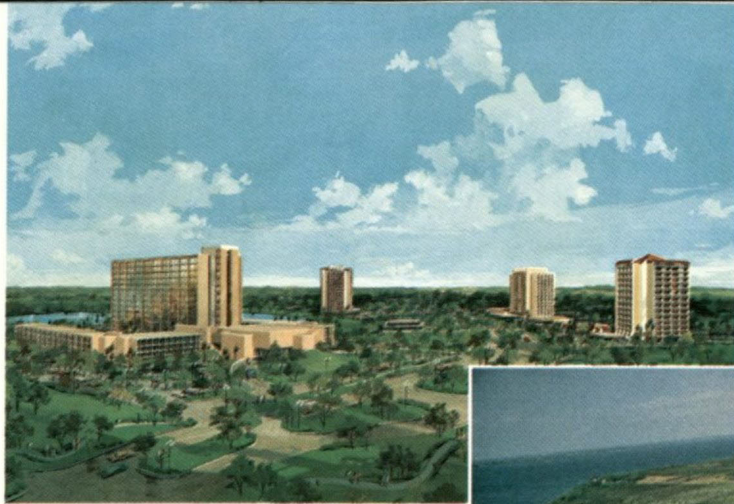
Its first assignment was to master plan, design, develop and administer a new recreation-oriented residential community on 3,800 acres of land in the northeast portion of the Florida site. This area, always designated in Walt Disney's master plan for residential development to complement the "Vacation Kingdom," will be the site of condominiums, town houses, apartments and country club villas intended to fulfill the needs of families, retirement and vacation home owners, as well as corporate visitors to Walt Disney World, located five miles away. Many residences will overlook a chain of lagoons and winding waterways. Others will border park-like open spaces or golf course fairways.

To be known as the City of Lake Buena Vista, this first residential community to be developed under the leadership of the Disney organization could ultimately serve 20,000 permanent residents. It will embody many of the innovative ideas and philosophies, prototype systems and materials, which one day will become a part of EPCOT.

The work of this subsidiary marks a major diversification and significant first step for Walt Disney Productions into the important field of real estate development and management.

As of the last month in 1971, the master development plans for the first phase of this new community, covering 1,000 acres, were substantially completed.

Public utilities for the initial phase of the development were installed and operating. A divided access parkway was completed and landscaped, and a system of recreational waterways, many of them exten-



MOTOR INN PLAZA: *Four of America's leading motor inns — Dutch Inns, TraveLodge, Royal Inns and Howard Johnson's — have begun construction of showcase hotels to be located at the entrance to the City of Lake Buena Vista. A total of 1,600 rooms will be ready for occupancy by summer, 1972. Future visitors to Walt Disney World will one day have access to the recently-purchased natural Atlantic Ocean beach playground in Brevard County, shown to the right.*

sions of the already completed water control network for the property, were being sculptured and landscaped.

The Orange-Vista Hospital, a branch of the Orange Memorial Hospital in Orlando, and the Post Office for the City of Lake Buena Vista were already operating, serving both the community and Walt Disney World.

The first nine holes of an eighteen-hole, Joe Lee-designed golf course were under construction, with play expected by the spring of 1972.

At the same time, a clubhouse will be opened to serve golfers and the entire community as a family-oriented recreation center. Plans for this facility include a swimming pool, tennis courts, riding stables, a lake and beach, food service and meeting rooms for members. Two nearby lakes, connected with the community via the network of waterways, will become focal points for aquatic recreation. Lake Mabel will be a rustic, unspoiled fishing camp retreat. Lake Bryan will be the center for sailing, water skiing, swimming and other water sports.

The Buena Vista Land Company has also been selected to administer the development of Motor Inn Plaza. At Motor Inn Plaza, located near the intersection of State Road 535 and Interstate Highway "4", four major motor inns will open by summer, 1972, providing an additional 1,600 rooms of accommodations for visitors to Walt Disney World. These facilities will be built on property leased from Buena Vista Land Company by four of the nation's best-known motel chains—Howard Johnson's, TraveLodge, Dutch Inns of America, and Royal Inns of America—at a total investment by these firms of $35,000,000.

Future plans call for the development of a country shopping park, adjacent to Motor Inn Plaza and conveniently located for residents of the City of Lake Buena Vista. Permanent residents of the community will arrive to shop via footpaths, on horseback, aboard boats they can dock at the village marina, on bicycles, by electric cart from the golf course or tennis courts, or by automobile.

This shopping area will ultimately grow to serve other permanent residents of central Florida, as well as travelers who are visiting the area.

The second phase of the commercial development will include an Office Park Complex, separated from but adjacent to the residential areas of Lake Buena Vista, across Interstate Highway "4". The nearby recreational opportunities of Walt Disney World and the community itself will make the City of Lake Buena Vista a preferred new location for both corporations and individuals.

As the Buena Vista Land Company will be charged with the continuing responsibility to administer and manage this new community, Lake Buena Vista will reflect the same care and imagination which has always been associated with the Disney name.

DISNEY ON PARADE:
*Units of this arena show will be seen in the United States, Australia, New Zealand, Japan and England during 1972.*

**DISNEY ON PARADE** During 1971, the subsidiaries of Walt Disney Productions and NBC which jointly created this arena show took steps to bring the production to audiences throughout the world. Upon completing a two-year tour of the United States last August, the first edition of "Disney on Parade" closed its operations after a five-week engagement in Mexico City.

Another unit of the same show opened in Australia last summer, and will play there and in New Zealand until May, 1972, when it will begin a six-month tour of Japan.

Another new production of the premiere show will open in Wembley, England, during July, 1972, beginning a two-year tour of England and the European continent.

By the end of November, the second and completely different version of this "live" traveling show had performed before 2,405,000 people in the United States, including a four-week engagement at New York's Madison Square Garden, where it was seen by 341,463 people. This edition of "Disney on Parade" fully amortized its production costs during its first season of operation, and will continue to tour the United States during 1972.

Based upon these successes, a third all-new production was commissioned last fall for debut in the United States during January, 1972. Worldwide, more than 6,500,000 people have seen a production of "Disney on Parade" during the past two years.

**ANCILLARY ACTIVITIES** A record year for Walt Disney Educational Materials Company was highlighted by a substantial increase in the catalog rental of standard non-theatrical 16mm films. During its first full year of the direct sale of silent 8mm excerpts from classic Disney films, this subsidiary estimated that worldwide retail sales of these new products approached $2,500,000.

Innovation and expansion keyed the activities of the publishing, merchandising, music and record divisions during 1971.

In the United States, the Company launched the Weekly Reader Disney Record Club to further augment its growing program of direct mail selling. By the end of 1972, an estimated 150,000 members, ages three to eight, will be receiving entertaining and educational recordings on a regular basis. The program is intended as a prototype for a worldwide network of children's record clubs and book clubs.

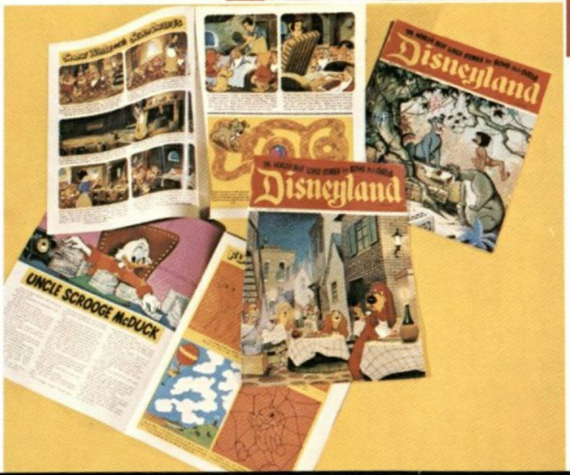
"Disney's Wonderful World of Knowledge" is a new series of books featuring factual information lightened by humorous Disney character illustrations, and with Disney characters relating the information first person in each volume. This publishing venture has achieved great success in Italy, and initial tests indicate that more than 1,500,000 volumes will be sold in the United States by the end of 1972.

In February, 1972, Fawcett Publications will begin distribution of a new weekly magazine for beginning readers entitled "Disneyland Magazine." Tabloid sized and with its stories designed to provide a beginning reader experience, the magazine will be distributed through supermarkets and newsstands, with an initial circulation of 500,000.

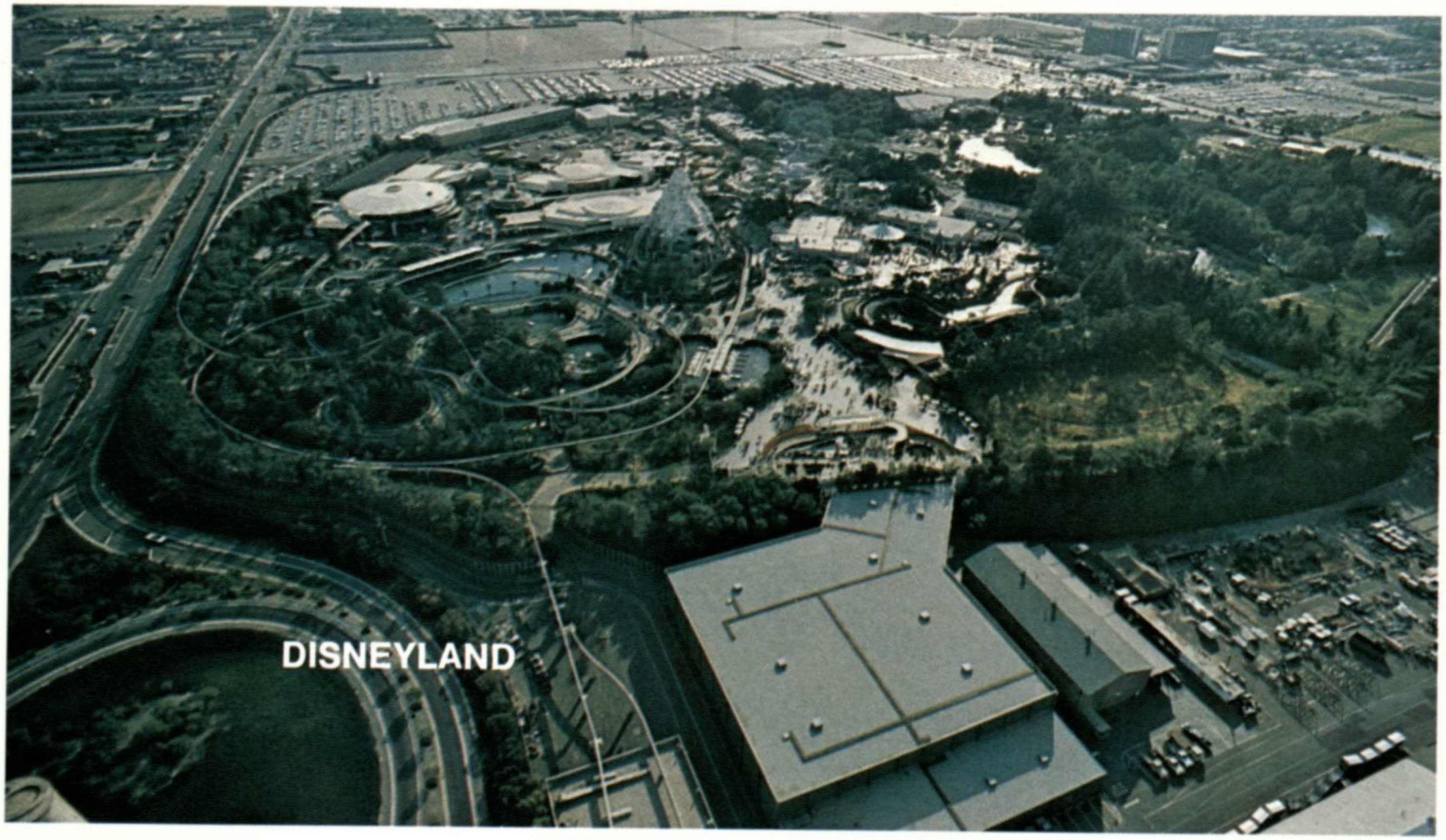
**MINERAL KING** Litigation between the Sierra Club and officials of the federal government, to which Walt Disney Productions is not a party, continues to prevent the development of year-round public recreational facilities in this area of Sequoia National Forest. The United States Supreme Court heard arguments in the case on November 17, 1971, and a decision is expected early in 1972.

Since this legal action began in 1969, the Company has suspended all expenditures and planning efforts on the project, and will not review the matter until after a decision is announced by the Court. All costs to date have been expensed.






MERCHANDISING: *The Weekly Reader Disney Record Club and a new series of books, "Disney's Wonderful World of Knowledge," are being offered via direct mail. Fawcett Publications will distribute "Disneyland Magazine" through supermarkets and newsstands.*




**_Sweet Sixteen and still growing_** Disneyland's $9,800,000 capital improvement program for fiscal 1972 will be highlighted by the opening, in the spring, of Bear Country. Styled in the tradition of a Visitor Center in a National Park, this new "land" will feature a twin-theater presentation of the Country Bear Jamboree, 20 "Audio-Animatronics" bears who strum guitars and sing a hilarious medley of country-and-western music. To be located immediately beyond the Haunted Mansion along the Rivers of America, Bear Country will also include a new fast-food service restaurant, a redesigned and relocated loading area for the canoe ride, and additional merchandising facilities.

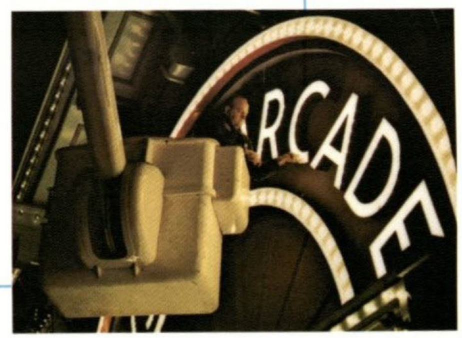
Attendance at Disneyland during fiscal 1971 totalled 9,416,198, down 8.3% from the all-time record set in 1970, the first full year of operation for the highly popular Haunted Mansion.

The decline in attendance, similar to that which occurred in 1969, after another significant record year in 1968, was attributable to general economic conditions in Southern California, where unemployment in Los Angeles and Orange Counties exceeded national averages, particularly in the aerospace industry. Also of importance was the lack of a new attraction during fiscal 1971, which research shows to be an important factor in drawing local residents back to the Park for repeat visits. In addition, fiscal 1971 was a 52-week year, whereas 1970 included 53 weeks.

Disneyland continues to be a strong contributor to the Company's profitability.


**Bear Country** . . . This completely new "land" will debut during the spring of 1972. Highlighting the area will be the zany Country Bear Jamboree, already established as one of the most popular attractions in Walt Disney World's "Magic Kingdom." The exhibit is being installed at Disneyland in keeping with the Company's policy that attractions in the two theme parks should be interchangeable.

**Operational Support** . . . A maintenance and janitorial staff, which reaches as high as 1,200 workers during the summer months, is one key to the successful operation of Disneyland. Between October and June of each year, a major maintenance and rehabilitation program touches virtually every attraction, contributing to improved operations and show elements for the public.



# MOTION PICTURES AND TELEVISION

By Ronald W. Miller
*Vice President — Executive Producer*



MOTION PICTURES: *The musical fantasy, "Bedknobs and Broomsticks," played to outstanding business as the Christmas attraction at Radio City Music Hall. Meanwhile, at the Studio, animation progressed on "Robin Hood" (right). In this re-telling of the classic legend, all of the familiar characters of Sherwood Forest are portrayed by animals.*

During fiscal 1971, worldwide film revenues, including those of the Walt Disney Educational Materials Company, reached an all-time high of $63,598,000, running $2,198,000 ahead of the previous year.

Star performer among the Disney theatrical product was the full-length animated feature, "The Aristocats," released during the 1970 Christmas season. Its worldwide film rentals are now expected to exceed $20,000,000.

Excellent financial performances were realized from such other new films as "The Wild Country," "The Barefoot Executive," and "$1,000,000 Duck," which were somewhat offset by the disappointing film rentals obtained on an outstanding film, "Scandalous John."

On a worldwide basis, the Company's film distribution program benefited from an increasing public demand for the reissue of classic Disney films. In Italy, our distribution program was paced by the reissue of "101 Dalmatians" and a full-length program of Donald Duck cartoons; in Brazil, Chile and Peru, by "Lady and the Tramp"; in France, by "Dumbo"; and in Japan, by "Pinocchio."

Highlighting our distribution program for 1972 will be "Bedknobs and Broomsticks," a musical comedy combining animation and live action, and the most ambitious Disney production to date. Produced by Bill Walsh, who also teamed with Don DaGradi on the screenplay, and directed by Robert Stevenson, the film features a musical score by Richard M. and Robert B. Sherman. In October, the Angela Lansbury, David Tomlinson-starring fantasy premiered in London, England, to excellent reviews and business.

The film also was chosen as the Christmas attraction at the famed Radio City Music Hall in New York, where it opened on November 11th. One week later, it began exclusive Christmas engagements in 45 other cities throughout the United States and Canada. As we go to press, the film is doing outstanding business.

A complete presentation of the Company's distribution program for 1972 may be found on pages 20 and 21.

Our production schedule for 1972 will commence with the filming, in January, of "Chateau Bon Vivant," a contemporary comedy written for the screen by Don Tait. It is based upon the misadventures of


THE MOUSE FACTORY: *This new syndicated half-hour television series previews across the nation during January, 1972.*

a Manhattan accountant who inherits a broken down hotel in Colorado and converts it into a ski lodge, with devastating results.

Early in the year, we will move into production on the long-planned epic, "The Island at the Top of the World," the Jules Verne-styled saga about three explorers who discover a lost civilization of Vikings on a volcanic island in the high arctic. Winston Hibler is producing and Robert Stevenson will direct the screenplay by John Whedon.

During the past year, the Company expanded its involvement in television production, with the creation of a new half-hour television series for syndication entitled "The Mouse Factory." The program, produced by Ward Kimball, will debut in January, 1972. It features well-known comedy stars as guest hosts and draws upon the limitless Disney film library to provide a fast-paced half-hour of early evening entertainment for young people.

The two half-hour "Winnie the Pooh" television specials of the Company are becoming holiday classics, with Sears, Roebuck & Co. now committed to sponsor the third and fourth runs of both shows during 1972 and 1973. Partially as a result of their association with these television specials, Sears' "Winnie the Pooh" fashions have now become the largest selling line of children's apparel in the United States.

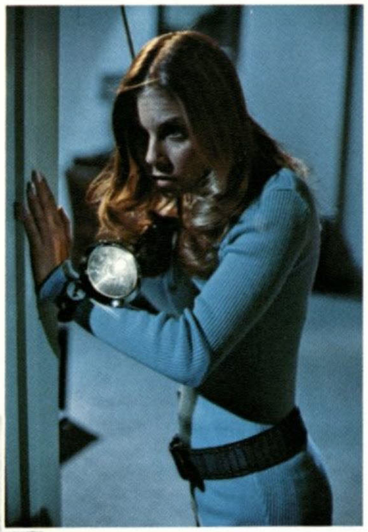
During its eighteenth season on the air, as in many seasons past, our Sunday night NBC television series, "The Wonderful World of Disney," has been challenged by new competitive programming on the other networks. After feeling the impact of this new competition during the early weeks of the fall season, the series re-established itself in the "top twenty" of the nation's television shows, based upon its traditional appeal to the family audience.

Production for the 1971-1972 season is now completed, and producers Jim Algar, Bill Anderson, Roy E. Disney, Winston Hibler, Ward Kimball and Harry Tytle are moving forward with shows for the new season, which begins in September, 1972.

Ron Miller

TELEVISION SPECIAL: *A 90-minute, Disney-produced special on "The Grand Opening of Walt Disney World" was seen over the NBC Television Network on October 29th. The fifth highest-rated program in the nation during the two weeks ending November 7th, according to the Nielsen Survey, the program starred Julie Andrews, Glen Campbell, Buddy Hackett and Jonathan Winters, and featured a special appearance by Bob Hope in tribute to Walt Disney.*


HIGH FLYING LOWE: *This three-part thriller chronicles the daring exploits of balloonist Thaddeus Lowe during the Civil War. Stuart Whitman and Darren McGavin star in this Ron Miller-produced adventure.*



MICHAEL O'HARA IV: *Troubles abound when the fourth generation of a family line of policemen turns out to be a girl. This two-part contemporary mystery-comedy stars Dan Dailey and Jo Ann Harris (left), and was produced by Ron Miller.*

THE YUCATAN MONKEY: *In this animal adventure (left) produced by Roy E. Disney, a margay cub and a golden spider monkey foil the smuggling of valuable archaeological relics from ancient ruins deep in the Yucatan jungle.*

JUSTIN MORGAN HAD A HORSE: *This two-part drama (far left), produced by Harry Tytle and starring Don Murray, Lana Wood and Gary Crosby, is the factual story of Justin Morgan, who developed the Morgan horse, the first true American breed.*

CHRISTMAS, 1971: *The fun-filled animation classic, "Lady and the Tramp," began its general re-release during the Christmas holidays. This story of a romance between a pedigreed cocker spaniel named Lady and a cocky, footloose mutt from the wrong side of the tracks, named Tramp, features songs sung by Peggy Lee.*

# FROM WALT DISNEY

FEBRUARY: *"Bedknobs and Broomsticks." This dazzling musical fantasy about an amateur witch, who uses her special powers to aid the British cause during World War II, begins its general release during February. Starring Angela Lansbury and David Tomlinson, the production combines animation and live action, and features a musical score by the Academy-Award-winning Sherman Brothers.*

JANUARY, 1972: *"Song of the South," a reissue of the famed Joel Chandler Harris folk fable about Brer Rabbit, Fox and Bear. The story of a lonely, bewildered plantation boy who finds a wise friend and counselor in Uncle Remus, this combination live action-cartoon production features an unforgettable Academy Award-winning performance by James Baskett as Uncle Remus, and ten songs including "Zip-A-Dee-Doo-Dah," which also received an Academy Award.*

# productions in 1972

EASTER: *"The Biscuit Eater" is a poignant rural drama set in the lush Tennessee hills of 1946. A young boy and his best friend train an alleged no-account pointer and end up in competition against the boy's father, who has much to lose if his dog fails to emerge champion. Produced by Bill Anderson, the film stars Earl Holliman, Patricia Crowley, Lew Ayres, Godfrey Cambridge, Beah Richards, Johnny Whitaker and George Spell.*

SUMMER: *"Now You See Him, Now You Don't" is a contemporary comedy spoof in the same vein as the studio's 1970 success, "The Computer Wore Tennis Shoes." A college student inadvertently discovers the secret of invisibility, and uses his knowledge to foil a big-time gangster's plan to take over the campus and turn it into a gambling mecca. Ron Miller produced the comedy which stars Kurt Russell, Joe Flynn and Cesar Romero.*

SUMMER: *That magical screen combination of children, animals and nature is excitingly combined in the dramatic and touching adventure feature, "Napoleon and Samantha." Michael Douglas and Will Geer star, with Johnny Whitaker and Jodie Foster in the title roles. Filmed in its entirety in the Strawberry Mountains wilderness area of eastern Oregon, this unusual tale follows two youngsters, who rather than part with an old pet lion, go on a perilous mountain trek to stay with a recluse friend. It is from an original script which was written for the screen by Stewart Raffill, who also trained the lion for the picture. Winston Hibler produced and Bernard McEveety directed.*


DISNEYLAND
CAPITAL REQUIREMENTS
BEAR COUNTRY
SERVICE AREA
OTHER
WDW CAPITAL REQUIREMENTS
FISCAL YEAR 1972
THEME PARK
ALL OTHER

*Top row, left to right:*

RICHARD T. MORROW**
*Vice President*
*General Counsel*

S. CLARK BEISE
*President (Retired)*
*Bank of America*

WILLIAM H. ANDERSON
*Vice President*
*Production and Studio Operations*

*Center row, left to right:*

GORDON E. YOUNGMAN
*Senior Partner*
*Youngman, Hungate and Leopold*

RONALD W. MILLER*
*Vice President*
*Executive Producer*

ROY E. DISNEY*
*Vice President*
*16mm Production*

GEORGE L. BAGNALL
*President — George Bagnall and Associates*

*Bottom row, left to right:*

DONN B. TATUM*
*President and*
*Vice Chairman of the Board*

ROY O. DISNEY*
*Chairman of the Board*

E. CARDON WALKER*
*Executive Vice President and Chief Operating Officer*

**Member Executive Committee*
***Advisory Director*

# FINANCIAL HIGHLIGHTS

## *WALT DISNEY PRODUCTIONS*

| | *1971* | *1970* |
|---|---|---|
| Revenues | $175,611,000 | $167,103,000 |
| Income before taxes on income | $ 48,521,000 | $ 43,709,000 |
| Taxes on income | $ 21,800,000 | $ 21,950,000 |
| Net income | $ 26,721,000 | $ 21,759,000 |
| Per common and common equivalent share | $2.07 | $1.87 |
| Capital expenditures and related advances | $229,341,000 | $ 69,681,000 |
| Total assets | $497,315,000 | $267,626,000 |
| Working capital | $ 36,933,000 | $ 53,358,000 |
| Long term liabilities | $102,818,000 | $ 1,655,000 |
| Stockholders equity | $318,464,000 | $218,116,000 |
| Per common share outstanding at year end | $24.65 | $18.63 |
| Common shares outstanding | 12,917,295 | 11,705,822* |
| Number of stockholders | 29,000 | 20,900 |
| Number of employees | 12,800 | 5,900 |

**Adjusted for stock dividend and split in 1971*

This has been the most successful and probably the most eventful year in our 42 year corporate life.

Revenues reached new highs for the eleventh consecutive year while net income and earnings per share established new record levels.

Theatrical film revenues around the world, television income and other revenues were the highest in the history of the Company.

Disneyland revenues were slightly down as against fiscal year 1970.

Consolidated net income of the Company and its domestic subsidiaries increased 23% to $26,721,000 or $2.07 per share in comparison with $21,759,000 or $1.87 per share last year.

Capital disbursements for the year for plant and equipment and related advances amounted to $229,341,000. This includes $225,000,000 for Walt Disney World in Florida.

Cash dividends paid during the year amounted to $2,361,000. A 2% stock dividend payable January 1, 1971 amounted to 114,999 shares, resulting in the capitalization of $14,319,000 of accumulated earnings. A 100% stock dividend aggregating 6,398,952 shares was paid on March 1, 1971.

In connection with the financing of the Walt Disney World project the Company sold and issued to the public 500,000 shares of its common stock at $148 per share in January, 1971. Net proceeds to the Company resulting therefrom amounted to $71,798,000 which has been credited to stockholders' equity. Also, the Company issued on June 15, 1971, $100,000,000 of 4¾% convertible subordinated debentures due June 15, 1996. At the option of the holder, the debentures are convertible at any time into the common stock of the Company at the rate of one share for each $127.45 of principal.

The Board of Directors on November 11, 1971, declared a quarterly cash dividend at 5¢ per share and a 2% stock dividend payable January 1, 1972 to stockholders of record on December 1, 1971.

At October 2, 1971 there were 29,000 stockholders of record as compared with 20,900 last year. To our many new stockholders, a warm welcome. Total actual common shares outstanding were 12,917,295 at October 2, 1971 and 11,705,822 at October 3, 1970, adjusted for stock dividends and stock split.

At the end of fiscal year 1971 there were 344,192 shares of stock under option to 501 employees. During the year 413 employees exercised their options to 211,473 shares (as adjusted for the two-for-one stock split of March 1, 1971) resulting in $4,190,000 of additional capital paid into the Company's treasury.

When Walt Disney World opened on October 1, 1971, the cost of completed facilities amounting to $282,000,000 was capitalized as entertainment and recreational facilities and other properties. Entertainment and recreational facilities consisting of the Magic Kingdom park comprising rides, attractions and corporate exhibits, basements, tunnels, and a variety of food and merchandise shops, Bay Lake and lagoon, two golf courses, landscaping, a variety of non-competitive sports and leisure-time activities, public parking and main gate complex, and land and water transportation systems were $234,000,000. Other properties including various maintenance shops and warehouse buildings, modular assembly plants, telephone and computer building, laundry and dry cleaning facilities, a food commissary facility, vacuum trash disposal system, communication services, public and service roads and a utility system, including a central energy plant, chilled and hot water distribution system, water supply system, compressed air distribution facilities and fuel oil and gas lines totaled $48,000,000.

Agreement has been reached for the purchase by Walt Disney World Co. from U. S. S. Realty Division of United States Steel Corporation of its interest in the two Theme Resort Hotels at Walt Disney World. This agreement supersedes an earlier understanding which contemplated that U. S. S. Realty would own the hotels and lease them to a subsidiary of the Company under a long-term lease. For further details please refer to Note 3 of the Consolidated Financial Statements included in this report.

The people of our Company throughout the world are a great asset as the year's outstanding performance has once again demonstrated.

The activities of the past several years culminating in the opening of Walt Disney World in October, 1971, constitute an accomplishment of remarkable complexity and magnitude. To make dreams come true, to transform great concepts into concrete form, to execute to the last detail the grand plan requires people—intelligent, able, skillful, dedicated, loyal people; people whose faith in an idea can lift them and their work above the mundane. Walt Disney World is the product of people like that. Diverse in skills and duties, they are many and are to be found throughout the entire Walt Disney organization.

It is appropriate to express to them a tribute for a giant task well done.

Respectfully submitted,

Donn B. Tatum

Donn B. Tatum
*President and Vice Chairman of the Board*

December 16, 1971
Burbank, California

## ASSETS

| | October 2 1971 | October 3 1970 |
|---|---|---|
| CURRENT ASSETS | | |
| Cash | $ 5,969,000 | $ 5,489,000 |
| Short term investments — at cost which approximates market | 30,772,000 | 34,643,000 |
| Reimbursable costs and advances, Walt Disney World (note 3) | 7,307,000 | 12,936,000 |
| Accounts receivable | 7,536,000 | 4,871,000 |
| Inventories — at the lower of cost or market | | |
| Completed productions — less amortization (note 2) | 12,410,000 | 11,535,000 |
| Productions in process | 14,313,000 | 16,083,000 |
| Merchandise, materials and supplies | 8,966,000 | 3,932,000 |
| Total current assets | 87,273,000 | 89,489,000 |
| COSTS AND ADVANCES — HOTEL CONSTRUCTION (note 3) | 28,557,000 | 3,215,000 |
| ENTERTAINMENT ATTRACTIONS AND FACILITIES — at cost (note 4) | 322,821,000 | 87,657,000 |
| Less accumulated depreciation | (46,945,000) | (41,836,000) |
| | 275,876,000 | 45,821,000 |
| BUILDINGS, EQUIPMENT AND OTHER PROPERTIES — at cost (note 4) | 73,901,000 | 23,727,000 |
| Less accumulated depreciation | (16,275,000) | (13,481,000) |
| | 57,626,000 | 10,246,000 |
| CONSTRUCTION IN PROGRESS, WALT DISNEY WORLD — at cost (note 3) | 13,778,000 | 98,947,000 |
| LAND — at cost | 16,493,000 | 13,189,000 |
| OTHER ASSETS | | |
| Deferred preopening costs, Walt Disney World (note 3) | 12,001,000 | 4,328,000 |
| Sundry other assets and deferred charges (notes 1 and 3) | 5,711,000 | 2,391,000 |
| | 17,712,000 | 6,719,000 |
| | $497,315,000 | $267,626,000 |

## LIABILITIES AND STOCKHOLDERS EQUITY

| | October 2 1971 | October 3 1970 |
|---|---|---|
| CURRENT LIABILITIES | | |
| Accounts payable | $ 31,432,000 | $ 18,454,000 |
| Payroll and employee benefits | 6,228,000 | 3,903,000 |
| Property, payroll and other taxes | 5,320,000 | 3,950,000 |
| Taxes on income (note 5) | 7,360,000 | 9,824,000 |
| Total current liabilities | 50,340,000 | 36,131,000 |
| UNEARNED DEPOSITS AND RENTALS | 7,593,000 | 3,924,000 |
| LONG TERM LIABILITIES (note 6) | | |
| 4¾% convertible debentures | 100,000,000 | |
| Other | 2,818,000 | 1,655,000 |
| | 102,818,000 | 1,655,000 |
| DEFERRED TAXES ON INCOME (note 5) | 18,100,000 | 7,800,000 |
| COMMITMENTS (note 3) | | |
| STOCKHOLDERS EQUITY (note 8) | | |
| Preferred shares, $20 par value | | |
| Authorized — 5,000,000 shares; none issued | | |
| Common shares, $1.25 par value | | |
| Authorized — 20,000,000 shares | | |
| Issued and outstanding — 12,917,295 and 11,475,824 shares | 16,147,000 | 14,345,000 |
| Capital in excess of par value | 224,861,000 | 136,356,000 |
| Accumulated earnings | 77,456,000 | 67,415,000 |
| | 318,464,000 | 218,116,000 |
| | $497,315,000 | $267,626,000 |

# STATEMENT OF CONSOLIDATED INCOME

| | Year Ended October 2 1971 | Year Ended October 3 1970 |
|---|---|---|
| REVENUES | | |
| Entertainment and recreational activities | $ 81,236,000 | $ 82,000,000 |
| Theatrical films | 63,598,000 | 61,400,000 |
| Television | 7,997,000 | 7,407,000 |
| Other — publications, merchandising, music and records | 22,780,000 | 16,296,000 |
| Total revenues | 175,611,000 | 167,103,000 |
| COSTS AND EXPENSES | | |
| Entertainment and recreational activities | 61,426,000 | 59,596,000 |
| Amortization of theatrical and television production costs (note 2) | 15,737,000 | 13,066,000 |
| Distribution — prints, advertising, etc. | 20,083,000 | 20,584,000 |
| Costs applicable to other revenues | 11,930,000 | 11,043,000 |
| General, administrative and selling (note 9) | 17,914,000 | 19,105,000 |
| Total costs and expenses | 127,090,000 | 123,394,000 |
| INCOME BEFORE TAXES ON INCOME | 48,521,000 | 43,709,000 |
| Taxes on income (note 5) | 21,800,000 | 21,950,000 |
| NET INCOME | $ 26,721,000 | $ 21,759,000 |
| EARNINGS (note 9) | | |
| Per common and common equivalent share | $2.07 | $1.87 |
| Per common share — assuming full dilution | | $1.81 |

# STATEMENT OF CONSOLIDATED STOCKHOLDERS EQUITY

| | Common Shares Number | Common Shares Par Value | Capital In Excess of Par Value | Accumulated Earnings |
|---|---|---|---|---|
| Balance at September 27, 1969 as restated for stock split (note 8) | 10,031,864 | $12,540,000 | $ 74,948,000 | $ 58,717,000 |
| Shares issued | | | | |
| Exercise of stock options | 130,178 | 163,000 | 2,427,000 | |
| Conversion of 4½% convertible debentures | 2,048 | 3,000 | 48,000 | |
| Conversion of 5% convertible debentures | 1,110,442 | 1,388,000 | 47,787,000 | |
| Dividends paid | | | | |
| In cash (15¢ per share) | | | | (1,664,000) |
| In stock (2%) | 201,292 | 251,000 | 11,146,000 | (11,397,000) |
| Net income for the year | | | | 21,759,000 |
| Balance at October 3, 1970 | 11,475,824 | 14,345,000 | 136,356,000 | 67,415,000 |
| Shares issued | | | | |
| Exercise of stock options | 211,473 | 264,000 | 3,926,000 | |
| Sale to public in January 1971 | 1,000,000 | 1,250,000 | 70,548,000 | |
| Dividends paid | | | | |
| In cash (18¾¢ per share) | | | | (2,361,000) |
| In stock (2%) | 229,998 | 288,000 | 14,031,000 | (14,319,000) |
| Net income for the year | | | | 26,721,000 |
| Balance at October 2, 1971 | 12,917,295 | $16,147,000 | $224,861,000 | $ 77,456,000 |

# STATEMENT OF CHANGES IN CONSOLIDATED FINANCIAL POSITION

| | *Year Ended October 2, 1971* | *Year Ended October 3, 1970* |
|---|---|---|
| FINANCIAL RESOURCES WERE PROVIDED BY: | | |
| Operations | | |
| Net income | $ 26,721,000 | $ 21,759,000 |
| Expenses not affecting working capital | | |
| Depreciation and patents amortization | 7,833,000 | 7,880,000 |
| Deferred taxes on income (note 5) | 10,300,000 | 1,600,000 |
| | 44,854,000 | 31,239,000 |
| Increase in long term liabilities | | |
| Proceeds from sale of 4¾% convertible debentures | 100,000,000 | |
| Other | 1,542,000 | |
| Increase in common stock | | |
| Proceeds from exercise of stock options (note 8) | 4,190,000 | 2,590,000 |
| Public offering | 71,798,000 | |
| Conversion of 5% convertible debentures | | 49,175,000 |
| Increase in unearned deposits and rentals | 3,669,000 | 1,592,000 |
| | 226,053,000 | 84,596,000 |
| FINANCIAL RESOURCES WERE USED FOR: | | |
| Additions to facilities and properties and related advances, principally Walt Disney World (note 3) | 229,341,000 | 69,681,000 |
| Reduction of long term liabilities | | |
| Conversion of 5% convertible debentures | | 50,000,000 |
| Other | 379,000 | 61,000 |
| Cash dividends | 2,361,000 | 1,664,000 |
| Deferred preopening costs, Walt Disney World (note 3) | 7,673,000 | 3,081,000 |
| Other | 2,724,000 | (553,000) |
| | 242,478,000 | 123,934,000 |
| Decrease in working capital | $ (16,425,000) | $ (39,338,000) |
| INCREASE (DECREASE) IN WORKING CAPITAL: | | |
| Cash and short term investments | $ (3,391,000) | $ (48,413,000) |
| Reimbursable costs and advances | (5,629,000) | 10,284,000 |
| Accounts receivable | 2,665,000 | (1,739,000) |
| Inventories | 4,139,000 | 4,940,000 |
| Accounts payable | (12,978,000) | (3,511,000) |
| Payroll and employee benefits | (2,325,000) | (222,000) |
| Property, payroll and other taxes | (1,370,000) | (645,000) |
| Taxes on income | 2,464,000 | (32,000) |
| Decrease in working capital | $ (16,425,000) | $ (39,338,000) |

## NOTE 1 PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its domestic subsidiaries, all wholly-owned. The Company's equity in non-consolidated foreign subsidiaries exceeded the carrying value of its investments therein by $511,000 and $1,011,000 at the end of the 1971 and 1970 fiscal years, respectively.

## NOTE 2 INVENTORIES AND FILM AMORTIZATION

Costs of completed theatrical and television productions are amortized by charges to income in the proportion that the producer's share of income (film rentals less distribution, print, co-producer participation and advertising costs) received by the Company for each production bears to the estimated total of such income to be received. Such estimates of total income are reviewed periodically and amortization is adjusted accordingly.

## NOTE 3 WALT DISNEY WORLD

Walt Disney World opened on October 1, 1971 and the cost of completed facilities of approximately $282,000,000 was capitalized as entertainment attractions and other properties. These costs include certain utilities acquired in 1971 from Reedy Creek Improvement District (a governmental unit of the State of Florida) for $20,287,000; approximately $9,500,000 of this amount had been advanced to the District at October 3, 1970 and was included in reimbursable costs and advances. Costs of construction in progress are net of $4,109,000 excess of interest received from temporary investments over interest paid through October 3, 1970. Other revenues include $1,150,000 of net interest income earned during the 1971 fiscal year.

Preopening costs and expenses relating to Walt Disney World have been deferred for amortization over a period yet to be determined. For income tax purposes, such expenses are written off as incurred.

Pursuant to drainage service agreements with Reedy Creek Improvement District, the Company's subsidiary, Walt Disney World Co., is required to make annual payments for the next 29 years to the District at a level currently set at approximately $600,000. These payments are guaranteed by the Company until the subsidiary meets certain financial requirements.

U. S. S. Realty Division of United States Steel Corporation is nearing completion of construction of two theme resort hotels at Walt Disney World. While the original understanding between the Company and U. S. S. Realty contemplated that U. S. S. Realty would own the hotels and lease them to a subsidiary of the Company under a long-term lease, in December, 1971 Walt Disney World Co. agreed to purchase U. S. S. Realty's interest in the hotels for approximately $50,000,000, and to assume the costs of completing construction. In addition to the amounts payable to U. S. S. Realty pursuant to this agreement, Walt Disney World Co. previously expended approximately $41,000,000 for hotel furniture and fixtures, architectural and design fees and construction costs, of which $28,557,000 had been expended as of October 2, 1971.

The Company has a majority interest in a joint venture with a subsidiary of Florida Telephone Corporation. The investment in this joint venture of $1,019,000 approximates its underlying equity and is included in other assets at October 2, 1971. The Company expects to invest an additional $800,000 in the venture during the 1972 fiscal year.

### NOTE 4 FACILITIES AND PROPERTIES

Depreciation is provided principally on the straight line method using a unit basis at lives ranging from 4 to 50 years, except for Disneyland which is on an estimated composite life of 12 years. Depreciation and maintenance and repairs are charged either directly to costs and expenses as incurred or to production costs which are then amortized against income; costs of replacements and betterments are capitalized. The cost of property sold or retired and accumulated depreciation are removed from the accounts and any resulting gain or loss is recorded in income.

### NOTE 5 TAXES ON INCOME

The Company has made substantial additions to entertainment attractions and other properties during the 1971 fiscal year. The extent to which such additions qualify for the Asset Depreciation Range System and the Job Development Credit is the subject of proposed legislation by Congress and determinations by the Internal Revenue Service. Pending decision of these matters no recognition of the possible tax deferral and reduction has been made.

The reduction in the effective tax rate for 1971 results mainly from tax-exempt interest revenues and special deductions due to premature disposition of stock option shares by employees; these dispositions resulted in tax reductions of $1,000,000 in 1971 and $400,000 in 1970.

The deferred taxes on income (including provisions of $10,300,000 in 1971 and $1,600,000 in 1970) represent taxes which will not become payable until future years due principally to differences between financial and tax reporting of depreciation on facilities and amortization of preopening costs.

### NOTE 6 LONG TERM LIABILITIES

On June 15, 1971 the Company issued $100,000,000 of 4¾% convertible subordinated debentures due June 15, 1996. The debentures are convertible into common stock at any time at $127.45 per share (as adjusted from original $130 per share under anti-dilution provisions) for a total of 784,616 shares. Annual sinking fund payments of $3,600,000 are required to commence in 1982. The debentures are currently redeemable by the Company at 104.75%, decreasing to par after June 15, 1991.

Other long term liabilities include $2,135,000 ($787,000 — 1970) of notes payable, partially secured by land and other properties, which mature through 1981 and bear interest at rates ranging from 4% to 7½%.

Under a bank credit agreement of October 15, 1971, as amended, providing for a revolving line of credit of up to $50,000,000 at the prime rate, the Company has borrowed $10,500,000 at December 1, 1971.

### NOTE 7 PENSION PLANS

The Company contributes to various trusteed pension plans under union and industry-wide agreements. Contributions are based on the hours worked by or gross wages paid to covered employees. The aggregate costs for all of these plans were approximately $1,726,000 and $961,000 for the years 1971 and 1970, respectively. The Company has no past service liability under these plans.

The Company has a pension plan covering substantially all of its employees not covered by union or industry pension plans. The plan is funded by Company and employee payments to a trust administered by a bank. Pension expense under the plan for the years 1971 and 1970 aggregated $724,000 and $650,000, respectively, including amortization of the actuarially computed past service liability over a remaining period of seventeen years.

A profit sharing pension plan is available to all qualified employees of one of the Company's subsidiaries. No contribution by the subsidiary was made for fiscal year 1971; the contribution for 1970 amounted to $493,000.

NOTE 8 STOCKHOLDERS EQUITY

In March 1971 a two-for-one common stock split resulted in the issuance of 6,398,952 common shares and a transfer of $7,999,000 from capital in excess of par value to capital stock.

On November 11, 1971 a 2% stock dividend was declared to holders of record on December 1, 1971.

A qualified stock option plan was approved by the stockholders during 1967 under which a total of 874,436 shares of the Company's common stock were made available for grant to key executive, management and creative personnel prior to December 27, 1976. Transactions in outstanding options under the Plan during 1971 were as follows:

| | Number of Shares | |
|---|---|---|
| | Options Granted | Available for Grant |
| Balance at October 3, 1970 (305,012 exercisable) as adjusted for stock split | 546,048 | 268 |
| Added for 2% stock dividend January 1, 1971 | 10,404 | 43 |
| Cancelled by employment terminations | (6,787) | 6,787 |
| Granted during the year | 6,000 | (6,000) |
| Exercised during the year | (211,473) | |
| Balance at October 2, 1971 (304,067 exercisable) | 344,192 | 1,098 |

Prices of options outstanding at October 2, 1971 range from $18.65 to $113.13 per share; options exercised ranged from $18.65 to $60.11 per share. These prices represent market value on the dates granted as adjusted for stock splits and dividends.

NOTE 9 EARNINGS PER SHARE

Earnings per common and common equivalent share have been computed on the basis of the average number of shares outstanding during each year. In addition it was assumed that all dilutive stock options had been exercised at the beginning of each year and that the proceeds had been used to purchase shares of the Company's common stock at the average market price during the years.

For 1970, earnings per common share — assuming full dilution — are based upon the assumption that, in addition to the exercise of the stock options, all previously outstanding convertible debentures had been converted into common stock on the dates of their issuance. For 1971, no dilution of earnings per common share would result from assumed conversion of the outstanding convertible debentures.

An allowance for estimated loss, net of tax benefits, on Penn Central Transportation Company commercial paper reduced net income for 1970 by approximately $740,000.

## OPINION OF INDEPENDENT ACCOUNTANTS

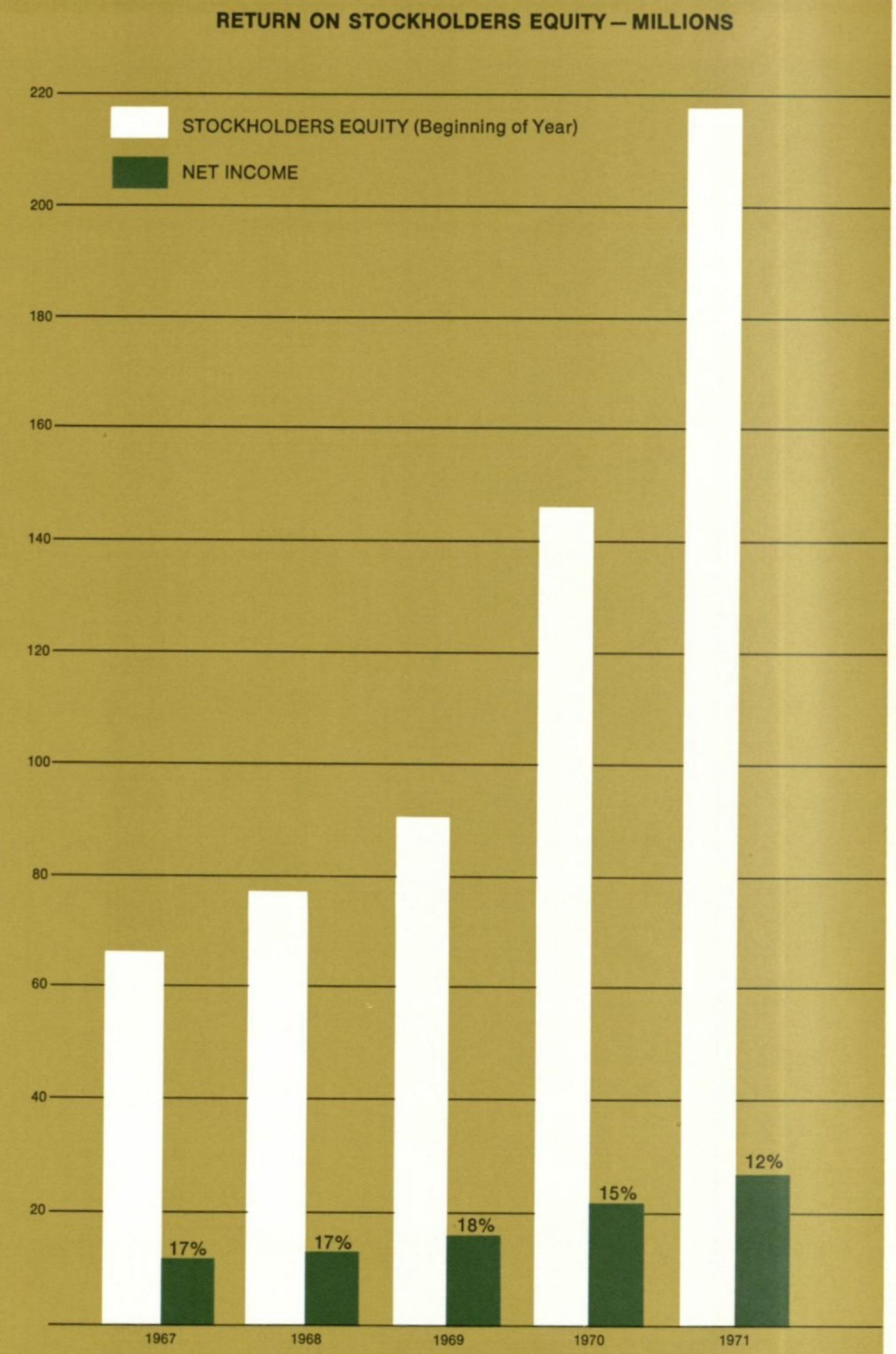
To the Board of Directors and Stockholders of
Walt Disney Productions

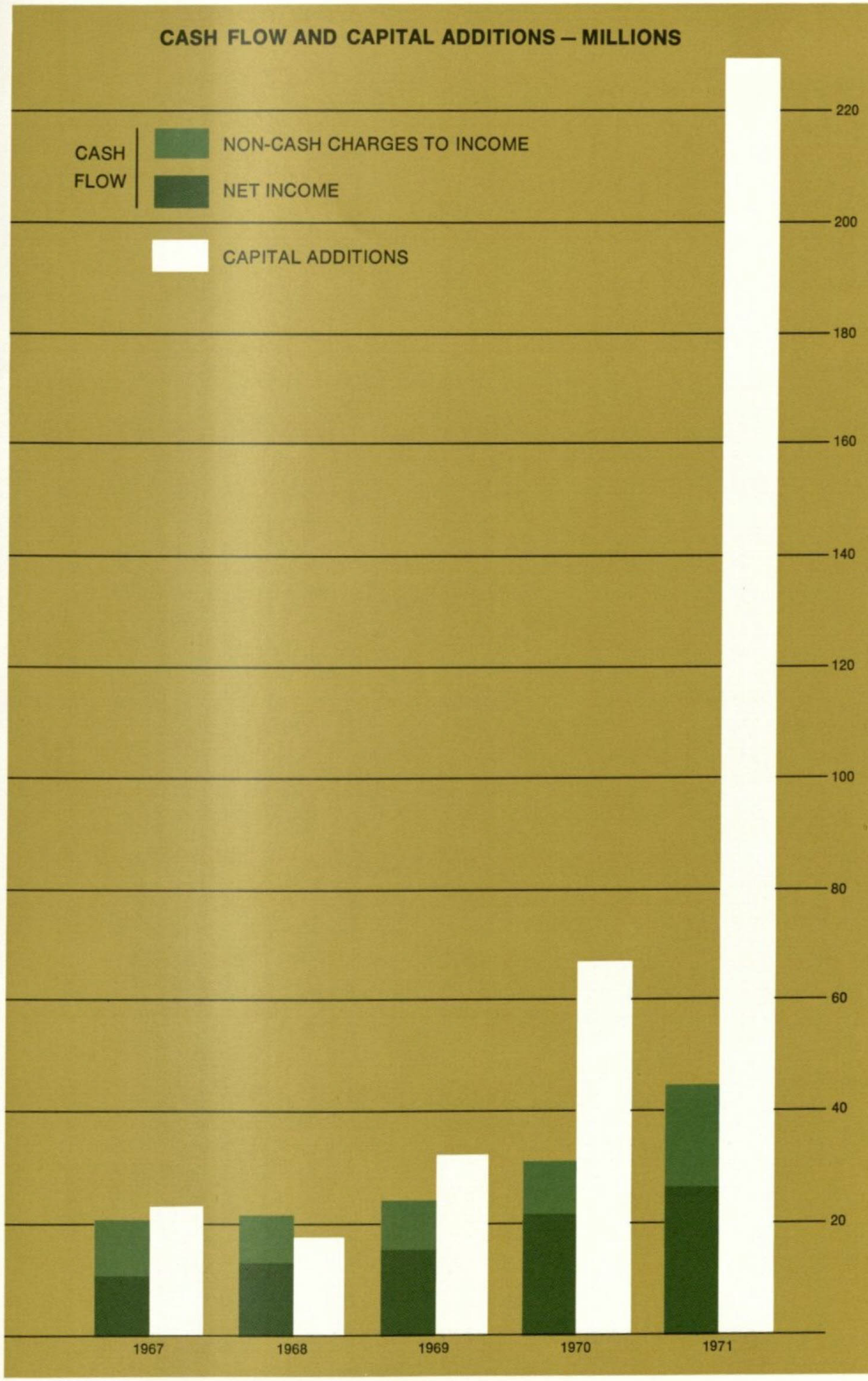
In our opinion, the accompanying consolidated balance sheet and the related statements of consolidated income, stockholders equity and changes in consolidated financial position present fairly the financial position of Walt Disney Productions and its domestic subsidiaries at October 2, 1971 and October 3, 1970 and the results of their operations and the changes in financial position for the years then ended, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

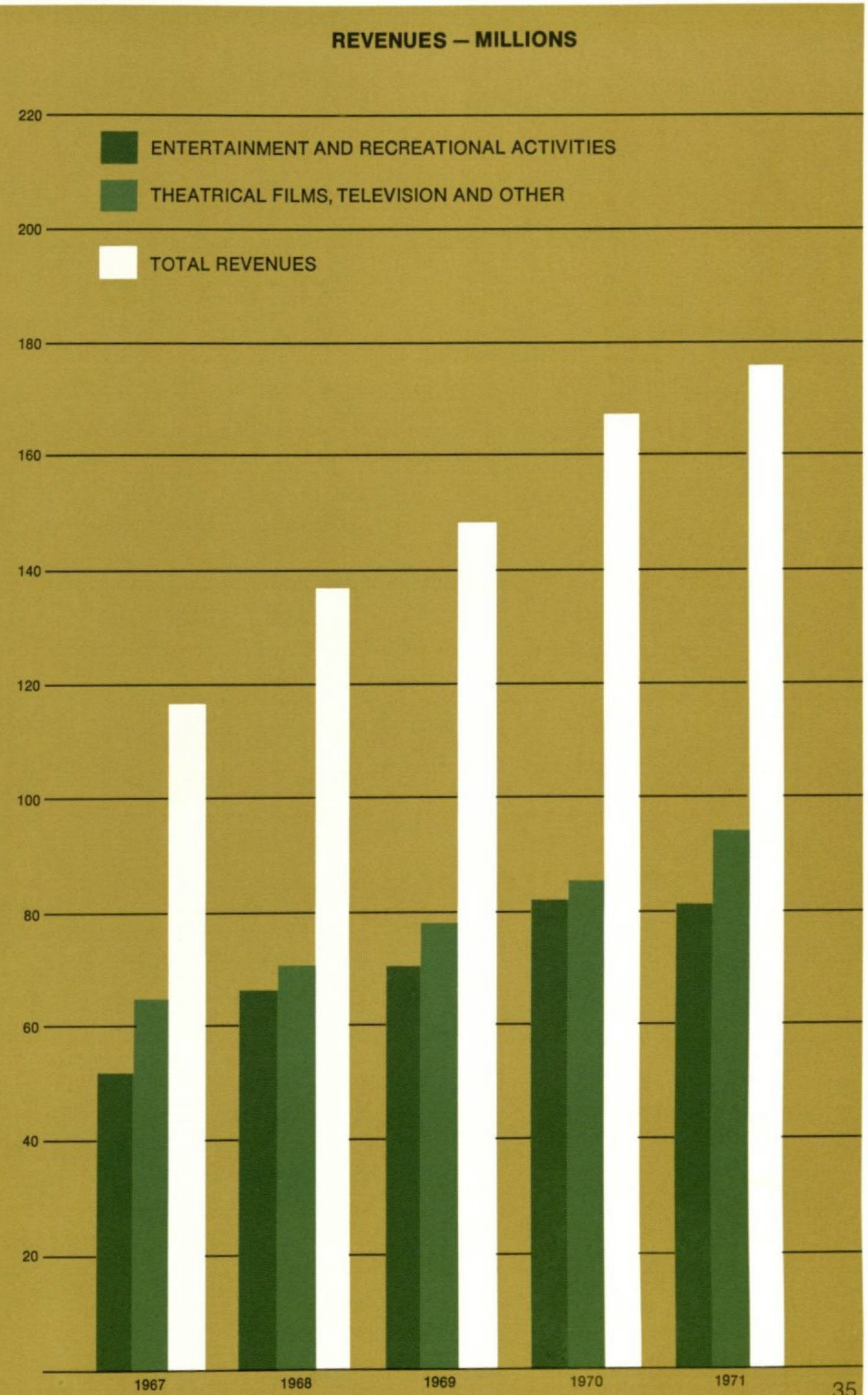
PRICE WATERHOUSE & CO.

Los Angeles, California
December 9, 1971






CASH FLOW AND CAPITAL ADDITIONS — MILLIONS
CASH FLOW
NON-CASH CHARGES TO INCOME
NET INCOME
CAPITAL ADDITIONS
220
200
180
160
140
120
100
80
60
40
20
1967
1968
1969
1970
1971


REVENUES — MILLIONS
ENTERTAINMENT AND RECREATIONAL ACTIVITIES
THEATRICAL FILMS, TELEVISION AND OTHER
TOTAL REVENUES
220
200
180
160
140
120
100
80
60
40
20
1967
1968
1969
1970
1971

## FIVE YEAR REVIEW *(000 omitted except for per share amounts)*

| FISCAL YEARS ENDED | *1971* | *1970* | *1969* | *1968* | *1967* |
|---|---|---|---|---|---|
| **OPERATIONS** | | | | | |
| Revenues | 175,611 | 167,103 | 148,367 | 137,146 | 117,486 |
| Income before taxes on income | 48,521 | 43,709 | 32,504 | 26,545 | 20,397 |
| Taxes on income | 21,800 | 21,950 | 16,700 | 13,440 | 10,030 |
| Net income | 26,721 | 21,759 | 15,804 | 13,106 | 11,267 |
| Cash dividends | 2,361 | 1,664 | 1,308 | 1,261 | 812 |
| Stock dividends | 2% | 2% | 2% | 3% | 3% |
| Retained in business | 24,360 | 20,095 | 14,496 | 11,845 | 10,455 |
| Depreciation and patents amortization | 7,833 | 7,880 | 7,404 | 6,849 | 7,854 |
| Net income | | | | | |
| Percent of revenues | 15.2% | 13.0% | 10.7% | 9.6% | 9.6% |
| Percent of stockholders equity (beginning of year) | 12.3% | 14.9% | 17.5% | 17.0% | 17.2% |
| Per common and common equivalent share | 2.07 | 1.87 | 1.66 | 1.40 | 1.24 |
| Cash dividends per share (on shares outstanding during the year) | .18¾ | .15 | .15 | .15 | .10 |
| **YEAR END FINANCIAL POSITION** | | | | | |
| Current assets | 87,273 | 89,489 | 124,417 | 77,592 | 43,429 |
| Working capital | 36,933 | 53,358 | 92,696 | 52,561 | 21,411 |
| Entertainment attractions and facilities | 322,821 | 87,657 | 86,049 | 78,361 | 75,941 |
| Studio buildings, equipment and other properties | 73,901 | 23,727 | 23,137 | 21,570 | 18,847 |
| Construction in progress, Walt Disney World | 13,778 | 98,947 | 36,277 | 13,438 | 1,173 |
| Accumulated depreciation | 63,220 | 55,317 | 48,199 | 41,554 | 35,518 |
| Total assets | 497,315 | 267,626 | 238,174 | 165,038 | 118,628 |
| Stockholders equity | 318,464 | 218,116 | 146,205 | 90,308 | 77,210 |
| Per share | 24.73 | 18.78 | 15.35 | 9.62 | 8.48 |
| Average number of common and common equivalent shares outstanding during the year | 12,878 | 11,614 | 9,522 | 9,384 | 9,110 |

**PARENT COMPANY**
WALT DISNEY PRODUCTIONS
500 So. Buena Vista Street, Burbank, California
*Produces motion pictures for theatrical and television distribution — operates Disneyland Park — operates Celebrity Sports Center — conducts ancillary activities.*

**PRINCIPAL SUBSIDIARIES**
BUENA VISTA DISTRIBUTION CO., INC.
Irving H. Ludwig — President
*Distributes, syndicates and sells domestically the product of Walt Disney Productions, including 35mm theatrical film, television shows and records and albums.*

BUENA VISTA INTERNATIONAL, INC.
Edmund F. Clarke — President
*Supervises the distribution of Walt Disney Productions 35mm theatrical film, 16mm film and television shows in foreign countries except the Western Hemisphere.*

CANASA TRADING CORPORATION
Edmund F. Clarke — President
*Western Hemisphere trading corporation.*

WALT DISNEY MUSIC COMPANY
James A. Johnson — President
*Music Publishing — ASCAP affiliate.*

WONDERLAND MUSIC COMPANY, INC.
James A. Johnson — President
*Music Publishing — BMI affiliate.*

WALT DISNEY EDUCATIONAL MATERIALS COMPANY
Carl Nater — President
*Distributor — 16mm film, audio-visual educational materials and 8mm home movies.*

WED ENTERPRISES, INC.
Joseph W. Fowler — Chairman of the Board
Orbin V. Melton — President — Chief Administration Officer
Richard F. Irvine — Vice Chairman of the Board — Executive Vice President — Chief Operations Officer
John C. Hench — Vice President — Production
*Imagineers, creates and designs new projects.*

WALT DISNEY WORLD CO.
Roy O. Disney — Chairman of the Board
Donn B. Tatum — President
E. Cardon Walker — Executive Vice President
William E. Potter — Vice President — EPCOT Planning
*Operates Walt Disney World.*

WALT DISNEY WORLD HOTEL CO.
John F. Curry — Director
*Operates and Manages Hotels.*

BUENA VISTA LAND COMPANY, INC.
Robert P. Foster — President
*Real Estate Development.*

VISTA COMMUNICATIONS, INC.
(a partner in Vista-Florida Telephone System)
*Telephone and Related Communications Services*

---

*This report is distributed for the information of stockholders and employees of the Company. It is not to be considered either as a prospectus or circular in connection with the purchase and/or sale of securities nor is it to be considered a part of the proxy soliciting material of the Company for the annual meeting of its stockholders.*

**CORPORATE OFFICERS**
Roy O. Disney
*Chairman of the Board*
Donn B. Tatum
*President and Vice Chairman of the Board*
E. Cardon Walker
*Executive Vice President and Chief Operating Officer*
Joseph W. Fowler
*Senior Vice President — Engineering and Construction*
William H. Anderson
*Vice President — Production and Studio Operations*
Michael L. Bagnall
*Vice President — Business Affairs & Information Systems*
Nolan Browning
*Vice President — Finance — Florida Project*
Roy E. Disney
*Vice President — 16mm Production*
Bonar Dyer
*Vice President — Industrial Relations*
Vincent H. Jefferds
*Vice President — Sales Promotion*
Oliver B. Johnston
*Vice President — Merchandising*
Orbin V. Melton
*Vice President — Finance*
Ronald W. Miller
*Vice President — Executive Producer*
Richard T. Morrow
*Vice President — General Counsel*
Richard A. Nunis
*Vice President — Operations — Disneyland and Walt Disney World*
Lawrence E. Tryon
*Vice President and Treasurer*
Franklin Waldheim
*Vice President and Eastern Counsel*
Luther R. Marr
*Secretary — Legal*
Douglas E. Houck
*Assistant Secretary*
Donald A. Escen
*Assistant Treasurer and Controller*
Leland L. Kirk
*Assistant Secretary-Treasurer*
Bruce F. Johnson
*Assistant Controller*

**STOCK TRANSFER AGENTS:**
Bank of America, N. T. & S. A., Los Angeles, California; Bankers Trust Company, New York, N.Y.

**STOCK REGISTRARS:**
United California Bank, Los Angeles, California; First National City Bank, New York, N.Y.

**STOCK EXCHANGES:**
The common stock of the Company is listed for trading on the New York and Pacific Coast Stock Exchanges.

**INDEPENDENT ACCOUNTANTS:**
Price Waterhouse & Co., Los Angeles, California.

**ANNUAL MEETING OF STOCKHOLDERS:**
First Tuesday in February.


Look to the name Walt Disney for the finest in family entertainment.